

**SECRET**

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See #66

35 May 1940

Chief, Foreign Branch

1. On 3 May 1940 another government agency notified this office that Subject recently visited their office in New York City, stating that he had received word from his sources in Sweden to the effect that a certain intelligence organization was about to be established, as soon as contact could be made with a U. S. intelligence agency.

2. Subject described a nucleus organization in Sweden consisting of seven former Latvian officers, equipped with two boats, who are prepared to engage in underground work in Latvia, provided they receive the backing of the U. S. Government.

3. Subject stated further that a far larger organization could be established by using his contacts and those of his seven officers in Sweden, Germany, and the Baltic countries.

4. The names of the seven officers comprising the nucleus organization were not given the other government agency with which Subject made contact, nor were any details given concerning the intelligence organization headed by Subject.

5. It is naturally of interest to Headquarters to determine whether there is any truth to the allegations [ ] has made in regard to his contacts' operational potential. It is considered desirable to attempt to do this, if possible, without contacting Subject. Therefore, inquire of TERVALIERA and his Stockholm colleagues whether they have any information on the activities of [ ] contacts in Sweden, and advise Headquarters of the results of your inquiries.

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